

PRICE - 1/-

The Case For Alberta ..



1905 . . . 1939

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1. ELECTORAL CAMPAIGN (NON-PARTY) TO ABOLISH POVERTY

authr,

81 Barrack St., PERTH

W. E. Henry HAND

FOREWORD:

NEVER has a government emerged from an election with a more definite or more overwhelming mandate than did the Aberhart Government in 1935; never has the parliament of a sovereign people had its legislation so ruthlessly nullified; never has a government been subject to such zealous misrepresentation and suppression at the hands of the general press of the world; never has a government achieved so much in the face of such bitter and unrelenting hostility.

Mr. Aberhart has come to grips with a foe whose policy has always been to remain hidden; he has dragged him into the open and identified him before the world.

Of all the achievements of this remarkable government, this latter achievement is undoubtedly the most outstanding, and will inevitably give rise to results which will reverbrate throughout the world.

Mr. Aberhart and his government are to be congratulated.

Mr. Hand is to be congratulated on his publication.

JOHN M. MACARA,
State President,
D.S.C.A. of N.S.W.

John G. Harrington
10 Taylor Road
Blaremont.

ALBERTA'S VICTORY

●

I trust that, in the profound satisfaction at the return to power of Mr. Abernethy's Government in Alberta the most miraculous nature of this achievement will not be overlooked.

To say that the victory has been won under conditions without parallel in the history of Canadian politics, is to understate the case.

After years of careful preparation every trick that is known to the underworld, and some that are not, has been employed, to confuse, intimidate, and bribe the electorate into "ridding the Province of Social Credit." They have all failed. Rivers of dollars have poured into the towns for the same purpose—and now, it is hoped, permanently added to provincial purchasing power.

It is, of course, perfectly well understood in Wall St. Lombard St., and Moscow that a world issue was at stake in Alberta—and Liberals, Conservatives, Socialists, and Communists all disappeared to be replaced by "Independents," each with a nice little local policy for election purposes, and one policy for legislative purposes—to make it impossible for a Government not controlled by Finance ever to get back to power. Radio, Press, Pulpit—all were manipulated. The Albertan Electorate remained almost completely silent—and then voted the Social Credit Party back to power with a majority, which is probably politically stronger than ever before.

The repercussions of the election, not merely in Canada, but throughout the world, are incalculable, but I am confident that they represent a turning point in history.

C. H. DOUGLAS,

8, Fig Tree Court, Temple, E.C.4.

ALBERTA'S CASE IN SUMMARY

The Province of Alberta is so richly endowed with natural resources that it is physically possible to provide every man, woman, and child within its boundaries with a standard of living many times higher than that ruling at present.

The following statement shows the capitalised value of Alberta's resources—including population. (It should be emphasized that a correct statement of the assets of a province or a country must include its most essential factor—the capitalised value of its population in terms of productive capacity).

REAL ASSETS OF PROVINCE OF ALBERTA, 1936-37

Agricultural Lands (Developed and Undeveloped) \$448,000,000; Forests, \$2,864,500,000; Minerals \$222,643,715,000; Buildings Harbours, Communications, Irrigation, Developed Water Power and Public Works \$756,347,534; Capitalised value of the Population Public Works \$756,347,534; Capitalized value of the Population \$4,464,046,125; Net Credit Balance between Province and Elsewhere \$45,000,000. Total \$230,921,608,659.

The foregoing assessment, which is a careful statement of Alberta's capital assets, has been calculated on a conservative basis.

With a population of 772,782 the capital resources of the Province average about \$300,000 per person. Assuming that these resources were exploited at the very low rate of one-half of one per cent per annum, the present standard of living of the people of Alberta would be increased approximately eight times. This would yield an average annual income of about \$6,000 per family of four at the existing price level.

While it may be argued that such a high living standard can be secured only by the export of the Province of a very substantial portion of the increased production, in order to obtain the diverse variety of goods for which there would be a demand, this is partially true only.

The abundant sources of power at the disposal of the Province in its natural assets of coal, oil, and to a limited extent water power render it ideal for industrial development. Besides, in the main, the majority of the population are in want of the very products which could be supplied from the limited development that has taken place to the present time.

Coincident with these vast resources which are at the disposal of the Province, we find—(a) 52,000 persons on relief, living at a very low standard. Of these, 10,000 represent unemployed persons—or a reserve of labour which could be employed in much wanted production. (b) Total taxation—Dominion, provincial, civic and municipal—representing depletion of already inadequate in-

comes—is estimated at \$48,563,276 or about 30 per cent of the net income of the people available as purchasing power for consumers' needs. (c) Debt charges and payments would, in existing conditions, represent a further 25 per cent. of gross income—the main burden of this falling on producers and traders. (d) The income of the Province is depleted further by the extortionate freight charges which have to be paid by the people for both goods sent out of the Province and goods brought into the Province—with the disadvantage of selling in an uncontrolled market and buying in controlled markets. (e) The debt situation is staggering. The total of provincial, municipal, mortgage and private debts amount to approximately \$600,000,000 or about \$800 per capita of the population. To this must be added the average per capita share of the Dominion public debt. This brings the figure of about \$800 to \$1,100. While this is insignificant beside the corresponding capital resources of the Province, it presents a fantastic problem which, as will be shown later, this debt represents a liability required to be discharged in money which the present system demands shall be issued only as a debt—thus rendering it impossible for the total burden to be lessened. It must increase.

In short, with resources adequate to provide the people of the Province with a balanced productive system and a high standard of living, the people of Alberta are poverty stricken, taxed to the limit of human endurance and debt-ridden to a point of desperation.

While the economic problem facing Alberta is the same problem which is facing every other province, the Dominion as a whole and every country operating the so called orthodox financial system, it exists here in a more acute degree, and the crass stupidity of abundant natural resources, with vast reserves of power for productive purposes, existing side by side with poverty, want and restriction is, perhaps, more apparent in Alberta than elsewhere. The absurdity of the anomaly is so startlingly obvious that a people who have given both study and thought to economic problems are demanding immediate action to have this state of affairs remedied.

Yet a comparison of Canada with the U.S.A. will reveal that what is so obvious in Alberta should be equally obvious to every person of reasonable intelligence, even though ignorant of economic matters, throughout the Dominion.

The U.S.A. comprises a smaller area than Canada. It has the Climatic advantages which give it a greater diversity of production, but it is not so richly endowed in natural resources as Canada. It has a population about twelve times that of Canada, yet this smaller and naturally poorer area supports twelve times the population in at least equal comfort generally.

What then is the root cause of this startling disparity between the two countries? Why is it that Canada, with a population of but some 11,029,000 persons and resources sufficient to provide these

with all reasonable material wants, is faced with a problem of widespread poverty? Why is it that unemployment persists when the services of those unemployed could be used to convert idle resources into wanted production? Why is it that Canada's debt increases as fast—or faster—than her wealth as represented by developed resources? Put another way, why are the people of Canada becoming financially poorer through debt as their country becomes physically wealthier—and to whom are they becoming indebted?

It is to these questions that the chapters which follow will be directed in the form of a short analytical examination of the economic structure. Such an examination must precede any recommendations for remedial measures—for the damage to social life which has resulted from ill considered and irresponsible experiments to patch up an obviously decaying economic system cannot be condemned too strongly. The human suffering in the world, and the spectacle of nations in armed conflict that may well end civilization, is a monument to the confused thought and the obstinate adherence to disastrous traditions which are the prevailing features of modern leadership.



THE RECORDS TELL THE STORY

PROGRESS UNDER THE SOCIAL CREDIT GOVERNMENT

THE LEGACY

LIBERAL RULE—1905 to 1921

Accomplishment: Granted Women's Votes; Granted Workmen's Compensation.

BUT: (Barrowed to the limit)—Public Debt, 1905, Nil. Public Debt, 1921 \$95,000,000.00.

Says Bank of Canada Report, 1937 "The roots of many of Alberta's PRESENT PROBLEMS were developed during this period the 1905-22 period was characterised by (1) WASTE, (2) laase administration and (3) incurrence of debt... which could nat be justified even when allowance is made for the optimistic spirit of the times... The policies pursued... resulted in the accumulation of a heavy dead weight debt... na effort was made ta put the Government on a self-supporting basis, in spite of the favourable opportunity presented by the general prosperity."

U.F.A. RULE—1921 to 1935

Accomplishments: Fastered Co-operatives; regained Natural Resources; set up Wheat Pool; sold Northern Railways; revised inefficient Audit of former Liberal Administration.

BUT: (Barrowing continued)—During Prosperity, 1921-1929 Baasted Debt ta \$117,000,000.00. During 1929-1936 period baasted debt ta \$161,000,000.00.

BESIDES: Left Treasury empty. Left Sinking Fund Frozen. Staped Saving Certificate payments. Wasted Natural Resources. Let roads and phanes deteriorate. Intraduced Income Tax—baasted others.

Says Bank of Canada Report: "By the summer of 1935 Alberta had largely exhausted its liquid and realisable assets in order to dane by the failure to make the necessary adjustments in 1931 dan by the failure to make the necessary adjustments in 1931 ond 1932.

— THE PEOPLE'S LEGACY: —

Provincial Debt 161 million dollars; Municipal Debt, 70 million dollars; Mortgage Debt 200 million dollars and Private Debt 171 million dollars. A total of \$602,000,000.00.

Business failures (5 years) 307. Unemployed (registered), 7,406 family heads. Inadequate health services. \$250,000 unpaid teachers' salaries. Wasteful school system.

All this despite Plenty. Elevators and stores crammed full, mines and forests standing idle, oil in abundance. Enough live stock, dairy poultry and garden produce FOR ALL.

SOCIAL CREDIT GOVERNMENT POLICIES:

1. Curtail debt increases and save interest charges.
2. Improve social services.
3. Adjust private debts.
4. Build better transportation and communication facilities.
5. Encourage basic industries.
6. Solve inequities of financial system by: (a) Co-operative Marketing. (b) Monetary Reform.

ALBERTA'S DEBT

(Bank of Canada Figures, Funded and unfunded debt, plus guarantees, etc.):—

1905	Nil.
1921	\$ 95,000,000
1933-4	154,000,000
1934-5	160,000,000
1935-36	167,972,000
Less guarantees	10,045,100
REAL DEBT	\$157,926,900

DEBT COMPARISON

FOUR WESTERN PROVINCES
(In Millions of Dollars)

Manitoba, 1921 65; 1937 114; 1938, 116.
Saskatchewan, 1921 48 (best); 1937 183 (worst); 1938 205 (contains 26 later cancelled by the Dominion).
British Columbia, 1921 69; 1937 114; 1938 151.
Alberta 1921 95 (worst); 1937 158; 1938 157 (stopped borrowing).

SOCIAL CREDIT REGIME

(Total Funded and Refunded Debt)

1936-7 \$157,033,600 a decrease of \$900,000.

1937-8 \$156,393,100 a decrease of \$700,000.

1938-9 \$154,975,000, decrease of \$1,400,000.

Total decrease \$3,000,000.

The Social Credit Regime has reduced the public debt while other Provincial debts have been increased. Interest payments have been cut by 50 per cent. So the people may Enjoy Social Services.

The Story of SAVINGS CERTIFICATES: Payment Stopped on August 31, 1935—on Deposit \$9,414,468.16 May 31, 1939—On Deposit \$5,949,510.94. Redemptions under Social Credit \$3,464,957.22. This is a recovery of \$3,400,000 of the past government's failure.

REVENUE ANALYSIS

THE BUDGET 1939-40
VERSUS 1935-36

Income Account Revenue 1939-40 (dollars) 18,818,745.00; Income Account Revenue 1935-36 (dollars) 16,-

575,151.00 Increase (dollars) of
2,243,594.00.

WHERE THE MONEY COMES FROM

(A.) Revenue Increases Without Tax Increases (dollars): Gasoline, 529,094.00; Auto Licenses 369,822.00 Petroleum and Natural Gas Fees and Rentals 184,457.00; Royalties Petroleum and Natural Gas 259,032.00; Liquor Sales (distribution) 751,132.00 Total 2,093,537.00

(B.) Revenue increase from heavier taxes on financial corporations, but NOT PAID BY PUBLIC (dollars) 353,843.00.

THE TRUE PICTURE:

Increased Revenue from A and B \$2,447,380.00; Increase '39-40 Budget over '35-36 \$2,243,594.00

Actual Tax Decrease to General Public \$203,786.00.

All this despite substantial increases in Social and other Public Services.

FORCED DEFAULTS.

Although Alberta tried to make refunding arrangements, the financiers refused to give assistance. Alberta's forced defaults from April 1, 1936, to June 1, 1939 amounted to \$11,855,200.

Saskatchewan in the same period had the following maturities refunded from May 1936 to May, 1939, \$7,502,000; in addition the Dominion cancelled \$26,679,996 in Treasury Bills.

Discrimination at a time like this was vicious.

DEBT LEGISLATION

TO PROTECT HOMES AND GET THE PEOPLE OUT OF DEBT

1. REDUCTION AND SETTLEMENT OF DEBTS ACT: (To set basis for settling debts incurred prior to July 1, 1932, by paying principal only.—Ultra Vires.)

2. HOME OWNERS' SECURITY ACT (Home security before contract security—disallowed by Ottawa).

3. DEBT ADJUSTMENT ACT: (Debt Adjustment Board arbitrates, on request, debts before July, 1936).

4. LIMITATION OF ACTIONS ACT: (Debts incurred before July 1, 1936, to be renewed before July 1, 1940). Disallowed March 1939 (Amendment passed at once extending renewal date to July 1, 1942).

Only the most vigorous and determined fight saved the homes and farms of our honest citizens.

5. VENDORS AND MORTGAGEES EXACTION OF COSTS ACT: (Outlaws charging debtors with collection costs, etc.)

6. JUDICATURE ACT: (1939 amendment outlaws creditors' rights to a deficiency judgment in foreclosure actions.)

7. LANDS TITLES ACT: (The debtor cannot become the tenant of a creditor under this Act.)

These passed for the protection of our people from unfair oppression by extra charges.

DEBT REDUCTION

The Government is doing its share.

1. RELIEF INDEBTEDNESS ACT: Cuts Seed and Feed Advances—Special Areas \$2,881,179; Other Areas, \$3,084,277.

2. PREVIOUSLY CANCELLED (Taxes and Advances)—Special Areas, \$6,055,248; Other Areas \$13,256,666

3. TO BE CANCELLED: Cow Bill Loss \$383,185; Taxes and Advances \$6,513,613.

TOTAL REDUCTIONS: \$32,173,613

The great burden of debt must be lifted from the backs of our people. This we are gradually doing.

EDUCATION

PRIOR TO 1935

1. Many schools, deeply in debt; unable to carry on without full government aid.

2. Unpaid teachers' salaries about \$250,000.

3. Schools and equipment in bad shape.

4. Many rural children deprived of High School Courses.

5. Petty squabbles in local districts most distressing and a hindrance to best results.

6. Difficulty of proper inspection growing through size of inspectorates.

AFTER RE-ORGANISATION

The Education of Youth is Our Greatest Interest. They are our most valuable asset.

1. Forty-four larger units set up under three-year plan.

2. General education cost reduced and mill rate equalised.

3. Back taxes and teachers' unpaid salaries arranged or paid off.

4. Immediate improvement in the school conditions.

5. Rural children given better opportunity for high and better education.

6. Greater efficiency and better school management.

7. School supervision established in place of inspection.

8. More efficient teaching can now be demanded.

9. More Practical curriculum introduced.

HEALTH SERVICES

BEFORE:

T.B.: Expenditure, \$178,000, Revenue \$78,000; Beds 210; Maternity Grants, Nil; Polio (Infantile Paralysis) Nil.

AFTER:

T.B.: Expenditure \$290,000; Revenue \$290,000; Beds 399 an increase of 90 per cent; Clinic Examinations, Increase of 69 per cent.; Death Rate Decrease of 12 per cent.; Death Rate Grants, \$15 Needy Mothers, \$60,000 year; Polio (a) There is now same hope of recovery through modern treatment; (b) \$20,000 for after treatment and training for self support.

1935:—

Mothers' Allowances: Granted to \$507,000. 50 per cent charged to Municipalities. Nursing Services: 13 Districts Served.

1938:—

Mothers' Allowances: Grants to \$620,000. 25 per cent charged to Municipalities. Deserted mothers included in provision. Nursing Services: 29 districts to be served. More than 8,600 persons relieved from suffering.

Travelling Clinic: Carries minor operations and medical service to the outlying districts—over 2,500 children served.

Mentally Defective Children: Additional accommodation includes new building under construction at Red Deer—will care for 60 more patients. Estimated cost \$54,000.

LABOUR LEGISLATION

A. BEFORE SOCIAL CREDIT

1. The Minimum Wage Act (Female): For certain classes in towns over 600.

2. The Factories Act, 1926: For working conditions in same industries.

3. The Labour Disputes Act, 1926: For Arbitration of Disputes.

4. The Industrial Standards Act: Never enforced.

B.: AFTER 1935

1. The Male Minimum Wage Act: For all but farm labourers and domestics—33 1/3c. per hour "steady". 40c. per hour "by the hour." N.B.—This is the first general wage order in Canada, and marks a great forward step for underprivileged workers.

2. The Hours of Work Act, 1936: Men—9 hour day; 54 hour week. Women—8 hour day, 48 hour week. Gives one day off in seven.

3. The Tradesmen's Qualification Act, 1936: Qualifications guard public safety; protect skilled workmen from amateur competition.

4. The Industrial Standards Act, 1935: Sets up employer-worker agreements; ensures jobs at fair wages; 23 industries have adopted scheme.

5. The Arbitration Act, 1938: Arbitrates wage disputes and protects workers from discrimination because of union activities.

6. The Minimum Wage Act, 1925 (Female): Extended to include industrial workers outside of larger centres. (Order in Council November 30th, 1937).

7. The Male Minimum Wage Act: Reduced from 21 to 19.

Alberta is in the vanguard of progress under the Present Government.

LANDS AND MINES

INCOME ACCOUNT SHOWING NET REVENUE

'31-'32

\$341,859.06

'32-'33

\$289,616.15

'33-'34

\$474,688.19

'34-'35

\$646,528.97

'35-'36

\$647,931.21

'36-'37

\$996,719.59

'37-'38

\$1,084,591.78

'38-'39

\$1,155,088.15

LABOUR ADMINISTRATION

In 1936 Former Bureau was replaced with Industrial Relations Board to administer matters pertaining to labour. Here is the records of achievement.

Bureau 1934-35: Inspections 2,368 Wages Settled, 335; Hours Settled, 47; Apprenticeships 1; Standard Schedules: In force Nil; Wages Collections \$6,226; Workers Affected 149.

Board 1938-39: Inspections, 6,690 Wages Settled 1,968; Hours Settled 2,024; Apprenticeships 179; Standard Schedules: In Force 23 (These schedules arranged above minimum wage for skilled workers and affect 675 employers and 1,600 workers. Ten other industries are planning to adopt schedules). Wage Collections, \$32,152; Workers Affected 1,156.

(The laborers are worthy of their hire. Unfair treatment regarding their purchasing power produces a "vicious circle.")

INDUSTRIAL PROGRESS MANUFACTURING

Production Value: 1934 69,000,000 dollars; 1938, 80,000,000 dollars, on increase of 16 per cent.

Capital Invested 1934, 65,000,000 dollars; 1938 80,000,000; Increase of 23 per cent.

Payrolls: (Manufacturing) 1934 11,000,000; 1938 12,700,000; Increase of 10.5 per cent. (All Industry) 1934 62,000,000 dollars; 1938 75,000,000 dollars. Increase of 21 per cent.

Employees: (Manufacturing) 1934 11,000; 1938 12,000; Increase of 9 per cent. (All Industry) 1934, 59,000 1938 71,000; Increase of 20 per cent.

NEW INDUSTRIES:

Packing Plant, Sugar Refinery, Salt Plant, Milk Connery, Gormont Factory, Woollen Mill, Pottery Factory, Building Paper Mill, Weeder and a Leveller Machinery.

TRADE:

Retail Sales: 1934 \$121,839,000; 1938 \$157,000,000. Increase 28.85 per cent.

Wholesale Sales 1934 \$68,844,000; 1938 89,000,000; Increase 29.28 per cent.

GROSS PRODUCTION:

Agriculture, Manufacturing Mining, Etc. 1934, \$255,549,707; 1938 \$275,000,000; Increase of 7.61 per cent.

Construction: 1934, \$3,489,400; 1938 \$8,180,000; Increase of 134.42 per cent.

Minerals: 1934 \$20,228,851; 1938 \$31,654,299. Increase 56.48 per cent.

More industries will provide remunerative work and reduce the number of our unemployed.

BENEFITS TO FARMERS

LIVE STOCK:

1. Bull Exchange Policy: 1905-37 Bulls distributed, 232. Debt. \$5,372 1938 Bulls exchanged, 415; 1939 Bulls exchanged (approx.) 600. No Debt.

2. Boar Exchange Policy: 1905-38 No Boar Policy; 1938-39 Boars exchanged, 700. No Debt.

3. Stallion Clubs: 1935 16; 1936 18; 1937 27; 1938 40; 1939 30 (6 months).

4. Hog Policy Boosted the Selects Market: 1930 6.05 per cent.; 1938 32.56 per cent; 1939 36.5 per cent (Six months).

If we can improve the quality of our meat products we shall obtain a wider market. The British Quota on Bacon, etc., has not yet been reached.

FARM IMPROVEMENTS

1. Established Extension Department

2. Re-established Extension Department for Women.

3. Increased Short Courses—49 to 107.

4. Increased School Fairs—72 to 101.

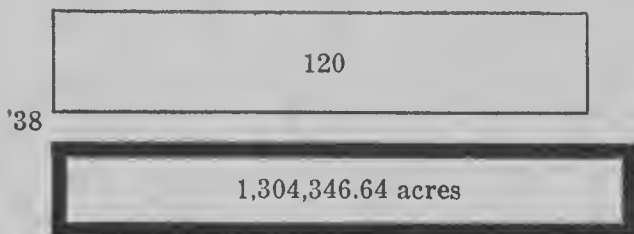
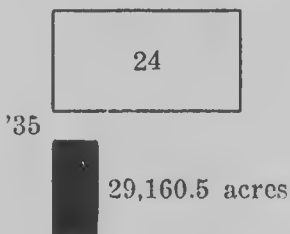
5. Support Junior Grain Clubs: Now 2,000 members who produced 480,000 bushels of pure seed in 1938.

6. Maintain Beef, Calf and Swine Clubs.

7. Distributed 221,401 bushels of pure seed (four years).

8. Distributed Forage Seed: 7,931 farmers seeded 45,150 acres in three years.

PETROLEUM AND NATURAL GAS PROSPECTING PERMITS



A very healthy increase in prospecting.

9. Supported District Seed Fairs: 1,435 exhibitors in three years.

10. Aided Exhibitors to "Internationals."

DAIRYING

1. Butter Qualities Improved: 1934 Graded First 76.3 per cent. 1938 Graded First 85.7 per cent.

2. Cream Price Average Up Last Four Years: 20.6c per lb. Previous four years 16.3c. per lb.

3. Cheese Imports Down 14,000lbs from 1936. Exports up 124,000 lbs.

4. Aided Exhibitors: Wins at 10 shows, 1934, 19.2 per cent. Wins at 10 shows 1938, 47.4 per cent. of all Prizes.

5. Value of Products: 1938 at \$51,576,593; 1934 \$41,363,076; Increase \$10,153,517.

PEST DESTRUCTION

6. Largest T.B. Free Area in the Empire: 450 Townships and more to come.

The effects of co-operation and organisation soon begin to show results.

1. Grasshopper Control: Saved 3,404,930 acres in past four years.

2. 1937-38 \$4,188 Rewards liquidated: Gophers 1,313,098; Crows and Magpies 176,899; Crows and Magpies eggs 291,110.

3. \$2,459 paid in bounties for Wolf and Cougar Destruction.

REHABILITATION

289 Families re-established in four years and must have become self supporting again.

FUR PRODUCTION

1. Opened Largest, Most Modern Experimental Fur Farm in Empire.

2. Alberto Fourth in Dominion; May soon be first in quality and quantity.

3. Fox Sire Exchange in Effect.

4. Mink Farming Started.

Note.—Our fur farms consume about 2,000,000 lbs. carasa fish yearly.

This is another field of opportunity
CO-OPERATIVES.

Legislation passed providing assistance, supervision and extension.

Co-ops. Now Operate Among: Grain and Seed Growers; Potatoes; Feeder Associations; Live Stock Marketers; Lumber, Cheese, Milk Producers.

Ca-op. Turnover (except wheat pool): 1938 about \$10,000,000.

POULTRY AND BEES

1. Poultry Blood Testing Maintained.

2. Anti-disease field men employed

3. Pedigreed cockerels distributed; Service maintained to improve turkey and chicken strains.

4. Bee Keeping Encouraged.

5. Survey conducted to determine best areas for Bee Culture.

6. Alberta now has the largest apiaries in the Empire.

FISH AND GAME

Alberta's fish restocking is the most modern in Canada. Restocking programme doubled in 1939. Game protection big tourist asset.

The efficiency of our present Agricultural Department is very evident.

ROADS AND BRIDGES

Hard Surfaced: Before 1935, 75 miles; By Fall 1939, 505 Miles. But this does not tell the story!

Before Social Credit: Edmonton to Calgary road gravelled at total cost of \$2,358,030; per mile per year, \$1,542. This investment gone at end of 10 years leaving a debt of \$1,161,447.00 as a continuing burden.

By the end of 1939 season this highway will be surfaced at average cost of \$1,400 per mile over two years without loss of first investment and without increasing debt.

This is only an example. Other projects tell the same story. Roads are now being built with modern up-to-date efficiency, without incurrance of debt.

SECONDARY ROADS:

Government Pays \$1 against every \$2 in back taxes cancelled. Result:

1938—Newly opened 973 miles; graded 945 miles; gravelled 68 miles.

TIMBER PRODUCTION



FROM BERTHS, SALES, AND PERMITS ON
PROVINCIAL AND SCHOOL LANDS AND
IN FOREST RESERVES

1931
to
1935

234,929,748
FT. B.M.

1935
to
1939

463,019,619
FT. B.M.

Our Timber Industry Has Doubled.

1939—To be opened 1,950 miles; to be graded 1,800 miles; to be gravelled 150 miles.

Previous government cost per cubic yard on only 3 recorded projects 26.8c.

Present government cost per cubic yard on all projects, 11.4c.

BRIDGES

1936-38—70 Steel bridges built; 1 Concrete Bridge Built; 775 Timber bridges built; 701 bridges repaired.

A few more years will see Alberta with the finest roads in Canada.

OIL ADMINISTRATION

1. Gas wastage eliminated by proration under Conservation Board.

2. Alberta now producing 97 per cent. of Canada's Oil, 70 per cent. of Canada's gas.

3. 80 Crude Wells producing—Turner Valley. 36 Crude Wells Drilling—Turner Valley. 39 Crude Wells Drilling—Other Fields.

4. 15 Structures being drilled.

5. In 1938 Alberto came: Second in Empire production. Third in the world for production increase.

CO-OPERATIVES

Regulations Revised in 1937 on World-recognised Basis providing for greater protection, supervision, eliminating proxy voting and removing Co-ops. from Politics:

No. of Co-ops. 1937-38, 101; 1938-39 150; No. of shareholders 1937-38 34,230; 1938-39 39,158. Capital 1937-38 \$4,896,088; 1938-39 \$5,119,793. Total Sales 1937-38 \$8,330,110; 1938-39 \$9,106,842. Total Assets 1937-38 \$11,624,797; 1938-39 \$11,876,034.

CREDIT UNIONS

Started September 27, 1938: Now Chartered 20; Members 1,575; Loans \$20,235; Deposits \$2,956; Shares \$21,552; Total Assets \$25,210.

All in Less Than One Year.

GOVERNMENT INSURANCE

1. Fire Insurance on Government

plan) \$135,692.39; Premiums, 1937-39 (new plan) \$49,398.54. Total: \$86,293.85. Premium Saving: Less Loss through policies cancelled and 10 per cent. Fires losses, \$12,075.16. Actual Saving: \$74,218.69

2. Insurance on Government cars and trucks: Premiums, 1933-35 (old plan) \$32,473.10; Premiums, 1936-38 (new plan) \$15,587.05. Saving: \$15,886.05.

3. Administration Cost Reduction: (3 years) \$20,000.00

Total savings to taxpayers (three years): \$111,104.74.

State Fire Insurance will Extend Similar Savings.

Alberta Fire Premiums, 1935-1938 \$12,722,831.42; Paid on Fire Losses \$4,432,320.07. What became of the balance of \$8,290,511.35?

MARKETING BOARD

Legislation Requested by U.F.A. Convention and Live Stock Marketing Conference. Part I (at Producers' request provides for):

1. Producer-controlled Marketing.
2. Direct Contact with the Government.

3. Collective Marketing.
4. Standardised Grading.
5. Sales Promotion.
6. Transportation Control.
7. Producer Registration.
8. Regulated Distribution.
9. Advantageous Marketing.

PART II. Provincial Board to: (a) Purchase Goods for Resale.

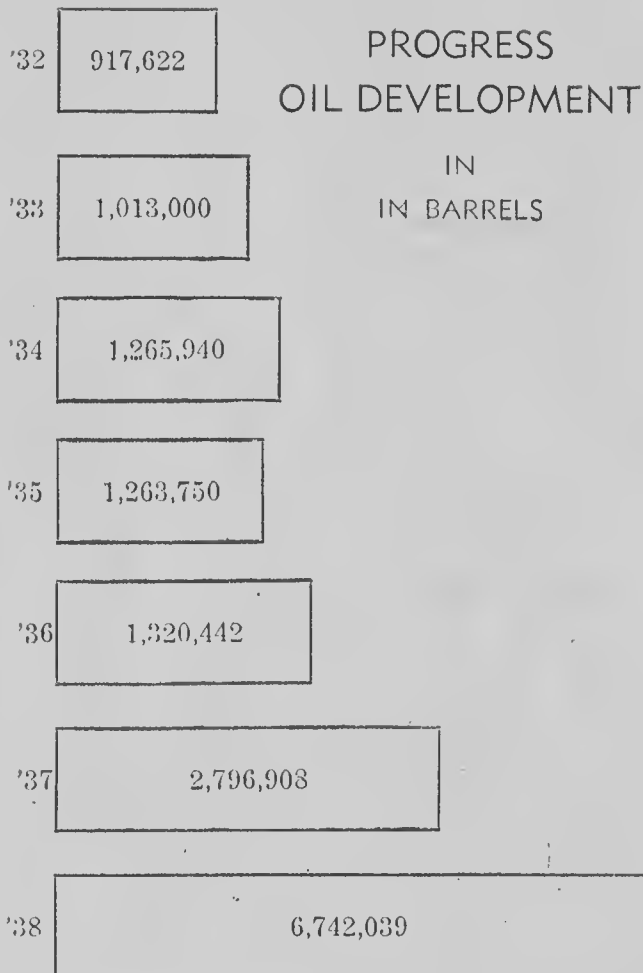
1. Mass Buying for Retailers.
2. Mass Buying for Manufacturers.
3. Mass Buying for Consumers (e.g. Farm Machinery).

(b) Manufacture or Process—only to public advantage.

This is just a beginning of what should have been done many years ago. The reduction in the Cost of Production!

CENTRAL PURCHASING

Started 1939 After Previous Governments had Favoured the Plan but Failed to Prevail Against Slush Fund and patronage influence.



An increase over 1937 of nearly 4,000,000 barrels.

1. Prevents overlapping and overstocking.
2. 15 per cent to 25 per cent. Savings effected on purchases of food, equipment and supplies for relief hospitals and Government Institutions including jails.
3. All tenders open to public inspection.
4. Graft slush fund and patronage eliminated.
5. Alberta-made goods given preference.
6. Savings to date about \$8,000 (August 1939).
7. Estimated annual savings, at \$750,000.

YOUTH TRAINING

6. 433 Farm youths trained in agriculture Household Economics, etc.
- 119 Boys trained in Forestry Work.
- 213 City Domestic trained.
- 1,400 City boys and girls given Commercial Courses (more than half got positions).
- 309 Drought Area Boys trained in Specialised Agriculture—Furs, Bees, etc.
- Enrolment: 1938, 12,848; 1939, 15,000 (estimated).
- Aeronautics in 1939 Schedule.
- Alberta plans spending \$30,000 in addition to Dominion-Provincial Grant for Forestry.
- Youths get \$1.75 per day plus Training.

EXPANSION

Manitoba, Ontario and Quebec boundaries were extended to the Arctic Circle. Why not Alberta's?

Alberta serves the Mackenzie Basin. Radium, Gold, Silver, Iron, Lead and Zinc abound there. These could make Alberta the great industrial Province of Canada.

But outside interests are grabbing the mineral deposits and holding them for future development.

That's why Alberta wants her boundaries extended to the Arctic.

Will another Turner Valley Debate flourish in the North?

The Government must protect the interests of the people.

NORTHWARD HO !

Grimshaw-Hay River Road: Construction Approved February 7, 1939 —Construction finished April 3rd, 1939. Within 55 Days Overland Freight moved into the mining districts! Three 40-h.p. Diesels hauling 18 sleighs transported 60 tons of equipment and supplies over terrain previously impassable. Another Social Credit Act that put the ACT in ACTION!

Once a road is opened up, development will be very rapid.

KING'S PRINTER

SITUATION IN 1935

1. Waste, inefficiency, patronage.
2. Advance payments for work not done.
3. Disputed accounts, \$18,000.
4. Large overcharges due to buying methods.

SITUATION NOW:

1. Printing purchases centralised, and patronage abolished.
2. 40 per cent. to 50 per cent savings effected.
3. Free Gazette mailing abolished with \$2,483 saving to taxpayers each year.
4. In 1934 Mimeograph Department lost \$287.00, in 1938 it showed \$6,600.00 profit.
6. Total savings about \$100,000.00 yearly.

Because Private Business Methods are Applied to Public Purchases.

CIVIL SERVICE

Dismissals since September 1, 1935 —125. (Several get superannuation).

Retired at age limit 44; Applied for retirement 20; Physically disabled 3; Retired un pensionable 9. Total 76.

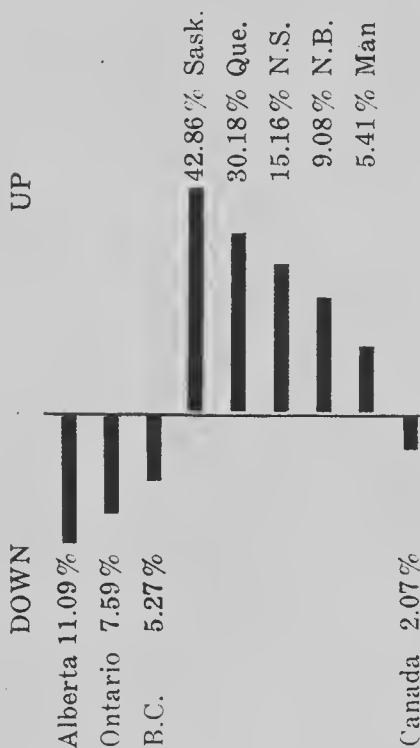
Staff August 31st, 1935 2,907; 1936, 3029; 1937, 3,158; 1938, 3324.

Increases were due to Debt Adjustment Board work; King's Printer doing own work; Taking over beer distribution; Public Works doing own work; Treasury Branch organisation.

A Joint Council Arbitrates All Civil Service Grievances.

UNEMPLOYMENT

January 1 to June 1, 1939.



ALBERTA

July 1, 1935, to July 1, 1939.

11.68 %



THE INTERIM PROGRAMME

By Hon. SOLON E. LOW, Provincial Treasurer

Outlining the Background, Organisation and Purposes of the Treasury Branch System

Mr. Speaker, the provisions of the Bill which I have had the honor to introduce to the House should be familiar to Members. The Bill confirms certain Orders in Council under which the Government introduced what has become known as the Treasury Branches Interim programme. I know that my Honorable friends on the other side of the House will be inclined to view this measure with hostility and suspicion—because that has been their consistent attitude towards every measure which the Government has brought on the floor of this House. However, I hope on this occasion their attitude will be tempered with a desire to serve a common purpose. Some of the Members of the Opposition have, no doubt, been engaged in trying to find some sinister motive in the provisions of the Bill. But they might have spared themselves this unnecessary concern in trying to find some sinister motive in the provisions of the Bill. The Bill was submitted to the most searching examination by many of the most critical and informed organisations in the Province. This Interim Programme has been submitted to them frankly—and they have been invited to pass judgment upon it, not from any emotional or political viewpoint, but as a straightforward business proposition designed to benefit our Province.

The verdict of these businessmen of Alberta is to be found written in the rapidly increasing support which has been accorded to the Interim Programme.

Before I explain the Bill itself, let me remind the House of the events which have led up to this measure and the line of action which is bound up with it.

1935 MANDATE

In 1935 the people of this Province gave an indisputable mandate to the Government to secure for them the economic benefits which the enormous potential resources of the Province made possible. The people were not extravagant in their demands. They asked merely for basic security measured in terms of monthly dividends and a lower cost of living. However, this involved a change of a fundamental character in the economic system—and particularly in the mechanism for the distribution of production. This government was charged with a responsibility of bringing about a change from a social order in which the many were being manipulated by the few—to be specific, from a social order of financial dictatorship—to economic democracy.

WEALTH IS HERE.

Alberta is the richest Province per capita in this richly-endowed country of ours. Yet they have been forced to submit to poverty restricted production, low prices for their products, high prices for their purchases and the oppression of an intolerable debt structure.

There is no **Physical** handicap to the enormous resources of the Province being exploited. We can grow the food, build the houses, construct the roads and manufacture many of the goods now imported into the Province. I know that there are some who, for reasons best known to themselves, are forever striving to show that we live in a poor Province. But nobody takes these utterances seriously. They are so obviously false on the evidence of facts.

Production is essentially the process of transforming potential wealth into goods of a type desired by Man—that is actual wealth. The limitations to production are firstly the raw material available; secondly, the energy resources which can be used to convert the former from a useless into a useful form; and thirdly, the knowledge including skill, for utilising the available energy resources to this end.

In former times, Man's ability to produce was limited because of the limitations in the energy resources upon which he could draw. He was dependent upon his own energy, with such assistance as he could obtain from the harnessed energy of running water, the winds, and domesticated animals. That was the age of scarcity.

No longer is that true. With the development of industrialisation Man has acquired the knowledge whereby he can use the energy of the sun stored up in coal, in oil, in gas and in water to drive huge machines which will often do the work of a hundred men.

This is a fact familiar to any student of economics. And here in Alberta, we have almost unlimited resources of energy—in our oil deposits, in our coal deposits, in our deposits of gas, and in our water power.

We have huge resources of timber. We have some of the most productive land. We have rich deposits of clays with almost unlimited commercial possibilities. We have all that we need to build the finest roads in the Dominion. In short, everything except, so far as we know at present, any deposits of iron or copper, to provide our people with the secure existence they desire, and to make Alberta the most progressive and highly developed Province in the whole of Canada.

VICIOUS SYSTEM.

All that stands between the people of Alberta and economic democracy, with the security and freedom this would give them, is an outworn, faulty, and vicious financial system. In Alberta, as in every other province in Canada, the banks alone are to blame for the present state of affairs. The banks are responsible be-

cause they and only they are the orbiters and administrators of our financial arrangements.

That a people should be kept in poverty, in anxiety and in economic bondage at the will of a group of commercial institutions is monstrous. It is a denial of democracy, and it is a denial of every decent principle of Christian ethics. It is this state of affairs which is rushing the nations of the world headlong towards war. It is this situation which has brought democracies to their knees and which is threatening the world with bloodshed, revolution and chaos.

I hope, Mr. Speaker, that the Honorable Members have that picture clearly in their minds. On the one hand abundant resources which could yield us a secure people, a happy people, and a progressive people. On the other hand, these very people kept in bondage—toiling and producing to have their production filched away from them in payment of debts imposed upon them by a vicious system; or else taken from them by a price system which ensures that the fruits of production shall never be enjoyed by the people. Ground down by debt, poverty, insecurity, restriction and economic regimentation, is it any wonder that revolt is in the air? Is it any wonder that week by week we have evidence that the limit of endurance is being reached—evidence such as the rising of the secession issue in Saskatchewan, in Manitoba and in the Maritimes?

I want to bring the serious nature of the situation before the Members, because, Mr. Speaker, there is no more dangerous man in the world today than one who refuses to face the stark realities of the dangers and the anti-social factors which threaten the structure of civilization.

I am anxious, before I deal with the provisions of the Bill before the House, that there should be a general recognition here, as there is outside the House, of the terrible—yes, Mr. Speaker, I repeat TERRIBLE—urgency of definite constructive action being taken to bring about the economic reforms demanded by the situation.

GOVERNMENT DETERMINED

From the outset this Government has been determined to carry out its mandate. That determination has already been shown—and it remains unweakened.

Realising that the existing state of affairs was essentially the responsibility of the banks, as the sole administrators of the financial system which yields us poverty, debt tyranny, restriction and economic degeneration, this Legislature took the democratic course of instructing those institutions, in the name of the people, to restore to the people their civil and property rights. The Credit Regulation Act provided that the banks should forthwith proceed to administer the financial system to yield the people of the Province

THE RESULTS which they had the right to demand from the use of their own property—the collective resources of Alberta. That legislation was designed to establish primary civil right of the people of Alberta to determine the policy—that is, the specification of the results—which should govern their social life within the Province, and without interfering with the same right of the people of any other province. That legislation gave the people effective property rights—the right to use their property and resources, as, collectively and individually, they desired.

The Credit Regulation Act did not interfere with administrative matters coming under the jurisdiction of the Federal Government. It did not tell the banks HOW to operate their business. It did not interfere with banks and banking as such. It merely prohibited the banks from imposing upon our people unnecessary hardship, and restricting the economic life of the Province. We even went to the length of telling the banks that while action had been taken in obedience to our people's demands for economic reform, and while we had no desire to interfere with how the banks ordered their affairs, to meet the people's wishes, we would gladly undertake to furnish them with persons competent to show them how it could be done.

FASCISM

Mr. Speaker, the House knows what happened. We thought that we had only the banks to deal with—but we were to be disillusioned. The Federal Government—a Government pledged to join battle with the Money Power on behalf of the people—a Government pledged to monetary reform—came to the aid of the banks. Without giving a moment's thought to the will of the people of Alberta, without consulting the representatives of the people of Canada, this body of men sat around a table and disallowed that Act of this legislature. The courts were swept aside as the Enactment of this Legislature was nullified. Fascism reared its head in Canada.

The subsequent actions of the banks and their affiliated institutions were but the natural sequel to this open denial of the democratic rights of our people. That was a phase during which feelings ran high, and bitterness was rampant. It is a phase which I hope is passed, never to return.

Now, I want to restate, as it has been stated repeatedly, that faced with this situation, the Government was determined to press forward on strictly constitutional lines. We are convinced that our objective is the objective of every sane person in our country. We know that it is the objective desired by our people. We have thrown up the issues involved so that today there is no misunderstanding about them. And finally we have proved not only who is the enemy of the people, but that this enemy is determined to resist by every means within its power any move to give the

people economic security and freedom. It is our conviction that while we must press forward, it is the desire of the people that we continue to da sa.

FACE REALITIES

Mr. Speaker, I appeal to every Member and particularly to my Honorable friends on the other side of the House, to face up to the realities of the circumstances in which the measure we are to consider is being submitted to them. In these days we hear much about unity. Those who use this word so glibly never tell us "unity for what." The urgent need today is unity—but unity for the common objective desired by all, security and freedom for every citizen—an objective entirely possible of achievement with the vast resources at our disposal. And now I will turn to the bill before the House, Mr. Speaker.

After demonstrating that every action to secure for the people of the Province the economic reforms they desired, would be blocked from the top, and after repeated threats from the banks to withdraw essential services from various points in the Province, the Government, in obedience to a wide demand, prepared plans to give the people facilities for deriving increased benefits for themselves through co-operation. The Bill provides for these plans, which are actually in operation under Order in Council, to be developed.

The intention is to open branches throughout the Province. These will provide the people in those districts with facilities for depositing their money in an institution under their effective control. To serve the districts which lie between these points where Treasury Branches are established, a system of agencies will be developed. These agencies will be operated in conjunction with the Treasury Branches and will extend the facilities of the latter to all main points in the Province. In this way will these facilities be made available to every part of the Province by a network of branches and agencies.

To date nine branches have been opened at the following points: Edmonton, Calgary, Medicine Hat, Grande Prairie, St. Paul, Andrew, Killam, Rocky Mountain House, and Coronation. Gradually other branches will be established and already the agency system is being developed.

NOT BANKS

Mr. Speaker, I wish to make it clear that these Treasury Branches are not banks and they are not engaged in banking business—which is essentially the business of manufacturing money, monetizing credit and lending.

At once the question arises—"Why is the Government not going into the banking business? Why did not the Government accept the offer of the Federal Minister of Finance and apply for a bank charter?" The answer is quite simple, Mr. Speaker. Nothing

would delight the eastern financial interests more than that the Province should attempt to operate a banking business in competition with the banks and in face of THEIR effective control of the credit structure. Until the banks concede to the people of the Province the right to determine credit policy within their provincial boundaries, all talk of economic democracy is idle. And any attempt by the Province to organise a banking structure in competition with the established banks, with their powerful ramifications, would merely leave the Provincial organization at the mercy of the banks. Personally we have no doubt whatever that Mr. Dunning was put up to making the generous offer of a bank charter to Alberta. However, we have not rejected his offer—as yet. It is quite possible that if the measures being adopted at the present time do not result in a more reasonable attitude on the part of the banks, we shall accept the offer of a provincial charter—provided we can obtain it under proper conditions.

Persons may deposit money in Treasury Branches either on current account or on term savings accounts. In the case of the latter, interest is allowed.

Deposits are received at Treasury Branches under agreement between the depositor and the Provincial Treasurer. These agreements provide for the conditions under which deposits are made and bind the Government to meet all claims on deposits in accordance with the terms of such agreements.

IMPORTANT FEATURE

Now I come to an important feature of the Interim Programme as it is operating. I have already pointed out that the condition of poverty amidst potential abundance is due to the financial system—specifically to the artificial restriction of money. This is widely recognised today and cannot be seriously disputed. However, the exchange of goods and services can be effected without money if the people have at their disposal an efficient system of bookkeeping. The Province-wide Treasury Branch structure will provide facilities for introducing such a bookkeeping system—and not even a substitute for money is required to operate this.

A person having an account with the Treasury may have acquired a credit by depositing money or by rendering a service to the Government or by some such means. This credit represents the price value of goods or services. The person may acquire goods or services from some other person also with a Treasury account. Instead of paying for those with money, all he needs do is to authorise his bookkeeper, the Provincial Treasurer, to transfer his credit to the person from whom he obtained the goods or services. And that person may do likewise.

It will be obvious to Members that by such a system the use of money can be greatly economised, without introducing even a

substitute. And that is a system of accounting the exchange of goods and services which is embodied in the Interim Programme. The means by which depositors authorise the transfer of figures, representing the price values of goods and services, from their accounts to other accounts is by means of orders known as Non-Negotiable Transfer Vouchers. These vouchers are not negotiable. They must be presented at the Treasury Branch by a depositor in whose favour they are drawn by another depositor. These vouchers are not money, nor are they a claim on money.

As Honorable Members will find a full explanation in the booklets before them of the manner in which these vouchers can be used, I will not go into any elaborate details. I will pass on to the next and more important feature of the Programme.

MATERIAL BENEFITS.

This system of bookkeeping can yield material benefits to those using it only to the extent that co-operation can be induced. And such co-operation must be mobilized to gain certain definite results.

The urgent need in this Province is the development of our natural resources for the benefit of the people. If production can be increased, as it can, it means an increased payroll. And if that increased payroll can be directed towards securing further production—still greater purchasing power will result and so on.

Now the first step in increasing our Provincial production is to secure a demand for Alberta-made goods. While much can be done by propaganda, actually, a strong inducement for people to insist on Alberta-made goods when shopping must prove the more effective method.

To this end the Interim Programme provides for banusing consumers in a manner which will stimulate a growing demand for Alberta-made goods.

Merchants who are willing to co-operate under the scheme, enter into an agreement regarding the use of the bookkeeping system operated by means of Non-Negotiable Transfer Vouchers. Any depositor with a Treasury Branch account, obtaining goods from these stores by using transfer vouchers, obtains a bonus on the amount of such goods providing that in any month a definite proportion of all such goods are Alberta-made. At present the bonus is 3 per cent. and the proportion of Alberta goods to be obtained in any month is one third the price values of the total obtained by the use of vouchers. If less than one-third of such goods are Alberta made, then the bonus is allowed an only three times the total price value of Alberta goods for the month.

This 3 per cent. of course, is a credit in terms of the price value of the goods and services—but full provision will be made for it on the books of the Treasury in terms of money. It is the intention

to maintain the liabilities of the Treasury Branches in a liquid form to meet any claims which can possibly be made under any agreement.

NOT UNORTHODOX

At this point, let me digress to make certain observations for the purpose of removing possible misunderstanding. There is nothing fundamentally unorthodox about this Interim Programme. It is not the application of the financial proposals of social credit—though it embodies certain principles associated with those proposals and consistently advocated by the Government. In the first place the consumers bonus is a very modest start of the principle of the dividend. The people will not have their taxation increased to provide this purchasing power. In the second place, the consumers bonus will have the effect of reducing the cost of living. Therefore, the principles of dividends and a lower cost of living are embodied in this proposition—but it is only a very modest start. When we have demonstrated the effect that even such a small adjustment can have, we believe that many of the difficulties will be removed to extending the application of these principles to a scientific adjustment of the system, yielding substantially greater benefits.

To revert to the operation of the 3 per cent. consumer's bonus—it will be realised, Mr. Speaker, that this being bound up with the amount of Alberta-made goods obtained—the natural desire on the part of all using the voucher system will be to think in terms of Alberta-made goods. This will lead to a steadily increasing demand for Alberta-made goods, which will be transmitted from consumers to the wholesale houses and manufacturers by the retail merchants. As this demand grows, so the production of Alberta-made goods will increase. With a steadily expanding market, new manufacturers will be encouraged to start up. This will mean more employment and increased payrolls. This increased purchasing power will be directed into channels which will increase still further the demand for Alberta goods. The effect will be cumulative.

The Government will put into operation machinery for encouraging and fastening this development. However, the plans for this are not yet mature. They will be placed before the House when we meet here again.

Finally, let me emphasize that throughout, the scheme is entirely voluntary on all parties. There is no compulsion introduced. This is the only sound basis for developing any economic proposition and is a principle fundamental to the reforms for which this Government stands.

Mr. Speaker, I have endeavoured to cover a great deal of ground in this introduction to the Bill before the House. I have generalised because it is important that Members should have the picture as a whole before them when discussing the measure. The

details of the machinery of the Programme are before all Members—the entire proposition is a straightforward businesslike scheme, based on sound economic principles. At this time, as never before, our country needs a lead in the economic sphere. National unity is being threatened by disintegrating forces which are entirely the result of a crumbling economic structure. We must not allow this tragedy to befall our land. As yet the words "What Alberta Makes, Makes Alberta" are a promise. It is in our power to make them a reality.

DEMOCRACY DENIED

SOVEREIGNTY ACKNOWLEDGED DEMOCRACY DENIED

During the past three years there has been a most deliberate and unjustifiable attempt to block every measure designed to relieve the suffering and want which exists throughout the Province. Everything that could be done to deceive the people has been done. Propaganda has been used over the air on public platforms and in the newspapers, which is an iniquity and a disgrace to any civilised people.

The People elected the Government to achieve a certain objective, but every possible obstacle has been placed in its path; its legislation has been held up by the Dominion Government or by reference to the Court. Every device has been used to thwart the Will of the People of Alberta.

Almost every country in the world is in a state of war or preparing for one. Solution of the Unemployment Problem and a state of so-called prosperity is being brought about by a program of armament building, but by no other Government in any country except Alberta, is the real cause of suffering humanity being fought.

We, the People of Alberta, are at war with International Finance. It is a war that is worthwhile because it means freedom and security for ourselves and our children for all time. It is a war in which human life need not and will not be sacrificed. We have so far answered those who seek to discredit us with three years of honest, progressive Government and persistent effort. We have answered the destructive criticism of old party politicians with the mellowed tones of sound reasoning. We have answered the mailed fist of money dictatorship with the padded glove of peaceful fellowship but war may have many phases, and if our battle must finally be won by

still more aggressive methods, better we do it now, so that our children may enjoy the heritage it will be our privilege to hand on, in peace and security.

There is no argument that the root cause of all our ills today, as it always has been, is lack of money leading to war, unemployment poverty, with all their attendant evils of murder, suicides, desperation and madness. The logical spot then at which to apply the cure is at the cause of our trouble. Even old party leaders are now telling us they too, believe we are right in our demands. If they enter the fight with their hands clean, we welcome them. Social Credit is not a party issue and we must never permit it to become a political party football. We are prepared to welcome people of every political creed into our ranks, but they must take up the fight on our terms and according to our rules.

We, who believe implicitly in the philosophy of this great movement, and the justice of our cause, believe that not only our province, but the Dominion and other countries of the world will gradually come to realise that only by removing the cause of the poverty so widespread all over the Dominion of Canada, can we ever hope to bring order out of the chaos which exists today. It is therefore, not surprising to find men, who have in the past been leaders in the world of orthodox financing, having realised that its downfall is eminent, taking their places in the ranks of those who have challenged its power, and are determined to sever for all time the strangling effect its hold has on the very life of every country in the world.

CREDIT OF ALBERTA REGULATION ACT WHY PASSED

1. Because there was widespread poverty and distress throughout Alberta.

2. Because Alberta, one of the richest provinces in the Dominion could produce abundance for her people.

3. Because the only reason why Alberta's people were living in poverty was lack of purchasing power.

4. Because such purchasing power should be made available to the people by using their own credit, as would enable them to obtain, at all times, what they wanted.

5. Because this could be done by a scientific balancing between money and goods produced.

6. Because control of Credit being, in the words of Hon. McKenzie King, "A public matter not of interest to bankers alone, but of direct concern to every citizen," credit policy should be vested in an authority responsible to the representatives of the people.

7. Because banks, being manufacturers of credit and functioning as public utility concerns, supplying a service of primary and vital importance to the lives of the citizens of Alberta should be licensed and subjected to supervision only in regard to policy—the results they provide, and unless the people of Alberta can use the resources of their own Province as they desire, and determine the results which shall accrue to them, they have no property and civil right in the full sense. (Banking administration being under Federal Jurisdiction was in no manner affected by the Act.)

WHAT HAPPENED?

**Disallowed by Federal Government
August 17, 1937.**

WHAT IT WOULD HAVE DONE

1. Would have secured the results demanded by the People—a lower cost to live, and monthly dividends.

2. Would have provided markets for Alberta manufacturers and traders.

3. Would have led to tremendous industrial development in manufacturing Alberta goods by processing Alberta produce.

4. Would have resulted in rapidly absorbing every unemployed person into useful employment and relieved

the aged and infirm of the necessity of working for a living.

5. Would have led to increased business activity in which industrialists, wholesalers, retailers, and banks would all have benefited.

6. Would have enabled taxation to be reduced drastically.

7. Would have made it possible to deal with the debt problems.

BANK TAXATION ACT WHY PASSED

1. Because under the present system, the Government has one source of revenue only—Taxation.

2. Because the people of Alberta are already taxed beyond their ability to pay.

3. Because banks are the only institutions claiming the legal right to monetize the credit of The People to such an extent that they create and issue monetary credits many times in excess of the legal tender money they hold.

5. Because banks can thereby create money out of nothing.

6. Because the present method of taxation of individuals is confiscatory and unnecessary.

WHAT HAPPENED

Assent withheld by Lieutenant Governor. Declared unconstitutional by Supreme Court of Canada. Appeal by Province from Supreme Court decision to Privy Council dismissed.

WHAT IT WOULD HAVE DONE

1. Would place over Two Million Dollars new money in circulation.

2. Would have permitted an equal amount, otherwise paid in taxes, to remain in the ordinary channels of industry, thus aiding employment and acting as a tremendous impetus to business generally, or,

3. Would have enabled the Government to embark on a six million dollar highway and market roads programme under the three way Dominion-Provincial-Municipal plan or,

4. Would have provided a hospital and medical service in districts where those are not available, or,

5. Would have set up a fund for Crop Insurance, or

6. Would have given decreased School Taxes.

7. Would have provided increased purchasing power for the People of Alberta.

REDUCTION AND SETTLEMENT OF DEBT ACT

WHY PASSED

1. Because under the present financial system debt cannot be paid without creating new and larger debts. The People of Alberta possess only about 20c. for every \$.00 of debt—this they owe to the banks, and they can get no money except as a debt to the bankers.

2. Because private debts, largely due to accumulated interest, had increased to such an extent that they were out of all proportion to value received.

3. Because many outstanding debts had been incurred during the war and immediate post-war years when values were high.

4. Because the original debt had already in many cases, been paid in interest charges while principal remained unchanged or showed little reduction.

5. Because people could no longer continue to pay interest at 8 to 10 per cent.

6. Because financial corporations refused to co-operate in any comprehensive debt reduction or to accept reduced interest charges.

7. Because they refused to recognise that the inability of people to meet their obligations, was due to lack of adequate returns on what they produced.

8. Because no people or country can prosper and progress so long as they labor under a burden of debt and continue to be harassed by those who deal in money as a commodity.

WHAT HAPPENED

Declared ultra vires of the Province by the Courts.

WHAT IT WOULD HAVE DONE

1. Would have established a basis of settlement for all outstanding debts.

2. Would have reduced all debt incurred previous to July, 1932, by applying all interest paid from that date to the passing of the act on reduction of principal.

3. Would have settled definitely question involved in debts which had become uncollectable.

4. Would have led to a restoration of confidence and encouraged those who, through no fault of their own were living in poverty and struggling against odds which they could not possibly overcome.

ACT TO ENSURE PUBLICATION OF ACCURATE NEWS AND INFORMATION

WHY PASSED

1. Because the control of news and the control of credit are both exercised by the financial interests.

2. Because "The freedom of the press" has become license to distort news, misrepresent facts and withhold essential information from the public.

3. Because this anti-social aspect of the press, under inspired direction, is being used to thwart the people of Alberta in their struggle against finance.

WHAT HAPPENED

Assent withheld by Lieutenant-Governor. Declared unconstitutional by Supreme Court of Canada. In the appeal of the Province of Alberta from decision of Supreme Court of Canada, the Privy Council refused to hear Alberta's argument by their counsel.

WHAT IT WOULD HAVE DONE

1. Would have ensured that all newspapers in Alberta would publish all the facts in their news reports of Government matters so far as this was possible, and if from any cause false statements appeared, equal space would be given for authoritative correction.

2. Would have ensured that the same information which every publisher demands from correspondents to his columns, i.e. the names of contributors of articles, would be avail-

able to The People when demanded by their representatives.

HOME OWNERS SECURITY ACT WHY PASSED

1. Because under stress of world conditions and a falsified financial system, over which individuals had no control, many were forced to mortgage their homes.

2. Because conditions had changed since these loans were received so that commodity and labour prices bore little relation to the continued high price of money.

3. Because there was grave danger of many Alberta Citizens losing their homes.

4. Because in most cases, these homes represented the total life's savings of many people.

5. Because it is just as much the duty of any Government to protect the homes of individual members of Society against the confiscatory practices of unscrupulous money-lenders as it is to defend its people against the invasion of a foreign aggressor.

6. Because there can be no Sanctity of Contract which does not recognise that human life has, at least, as much value as considerations of "money."

WHAT HAPPENED

Disallowed by Mackenzie-King Government, June 15, 1938.

WHAT IT WOULD HAVE DONE

1. Would have prohibited foreclosures or sale under mortgage proceedings of any farm home.

2. Would have prohibited foreclosure or sale under mortgage proceedings of any home in a town, city or village, unless the plaintiff first deposited \$2,000 with the Court which would be paid to the owner if dispossessed to enable him to purchase another home.

3. Would have induced debtor and creditor alike to seek equitable basis of settlement through the medium of the Debt Adjustment Board.

4. Would have enabled home-owners to enter into new contracts commensurate with their present ability to pay.

SECURITIES TAX ACT—1938 WHY PASSED

1. Because the Government required additional revenue for one year to replace the loss of revenue from the Bank Taxation Act before the Privy Council.

2. Because the additional revenue was essential to provide the people with the benefits they needed.

3. Because it was equitable that equitable companies and similar institutions should make good some of the taxation they have escaped for years.

4. Because the Government is pledged to the people to remove the burden of taxation from individuals, and until we gain control of our credit resources, this can be done only by transferring it to institutions which are better able to bear it.

WHAT HAPPENED

Disallowed by Mackenzie-King Government, June 15, 1938.

WHAT IT WOULD HAVE DONE

1. Would have realised \$1,500,000—sufficient revenue to balance the Provincial Budget.

2. Would have helped the Government considerably to give tax relief, to provide additional relief projects, increase School Grants, and undertake many other benefits planned for the people.

CREDIT OF ALBERTA REGULATION ACT, (1937 AMENDMENT).

WHY PASSED

Because Credit of Alberta Regulation Act had been disallowed by the Dominion Government.

WHAT HAPPENED

Assent withheld by Lieutenant-Governor. Declared unconstitutional by Supreme Court of Canada. In the appeal of the Province of Alberta from decision of Supreme Court of Canada, the Privy Council refused to hear Alberta's argument by their counsel.

WHAT IT WOULD HAVE DONE

Would have brought all the benefits of the Credit of Alberta Regulation Act, which it supplanted.

PROGRESS IN 1939

1.—IN RETROSPECT

(a) The objectives of Social Credit reform are objectives of a democratic order, namely:—

(1) To confer upon the people the maximum degree of personal security and personal freedom rendered possible by available resources and modern production methods. (2) To decentralise power in the political and economic spheres so that, to an increasing extent, individuals can secure from their institutions the results they want.. (3) To carry out the necessary reforms to achieve the foregoing in a manner which will ensure a smooth transition from the existing order to the new order. (5) In short, Social Credit reforms aim at the establishment of political and economic democracy without disrupting the social life of the people.

(b) The position facing this Assembly immediately after the election of its members in 1935 can be summarised thus:

(1) With abundant resources within the province to provide adequate food, clothing and homes for every man, woman and child in Alberta, there existed widespread poverty, crushing debt burdens and restricted production; at the same time a serious unemployment problem existed. (2) This state of affairs was the direct result of the operation of the financial system which, as elsewhere, provided the people with inadequate purchasing power. (3) The policy of credit restriction leading to financial poverty, intolerable debt burdens and unnecessarily harsh economic stringency was being imposed on the people through the financial system and was in direct conflict with the conditions desired by the people. Thus it was the bankers' policy which prevailed—not the people's. In fact, the democratic right of the people to determine policy was being usurped by the financial interests. Instead of democracy, financial dictatorship had the province in its grip. (4) The people had given their duly elected representatives a clear and definite mandate to reform those conditions in accordance with their wishes, so that economic security and freedom for all, would be established. (5) The constitutional right of the people to confer this mandate on their representatives, whose constitutional right it is to legislate accordingly, surely cannot be disputed. The Province is sovereign in matters coming within its constitutional jurisdiction—and civil and property rights are reserved to the province. The primary and basic civil right of a provincial democratic electorate is the right to determine the results and conditions they obtain from the management of affairs coming within their provincial jurisdiction. (Otherwise the term "civil rights" becomes meaningless). "Property rights," if it has any meaning, is the right to determine the allocation and use of property within the province—i.e. the resources of the province. (6) However, before steps could be taken to reform the foregoing situation, an immediate problem which had to be faced by the administration was the chaotic state of affairs in the finances of the province and in organisation of its services.

(c). (1) After a thorough revision and reorganisation of the finances of the province and initial measures to systematically increase the efficiency of its services, the administration turned its attention to the reforms for which it had received an overwhelming mandate. (2) The preliminary steps taken to this end were immediately met by

implacable and carefully organised apposition from the financial interests. It was deemed advisable to invoke the constitutional right of the province to assert the civil and property rights of the people. (3) The Credit of Alberta Regulation Act provided for the supervision of credit institutions operating within the province to the limited extent of ensuring that in their administration of the monetary system under Dominion charter they should conform to the democratically expressed policy of the people in this province and refrain from usurping the civil and property rights of the people. No interference with the administration of the banks was involved, and the government undertook to provide the banks with the necessary assistance in carrying out their responsibilities under the Act. In short, the Act merely provided for the establishment of a democratic social system in the province, without interfering with the affairs of any other province. (4) Following the expression of anger and panic expressed in the financial Press of the world, this Act was disallowed by the Federal Government. This action was a denial of the elementary democratic rights of the people of Alberta, and displayed, in an acute form, the clash between centralised power and the will to effect decentralisation of power. (5) After a series of legal battles, clearly indicating the implacable determination of the financial interests to exercise to the full all their power and influence to prevent the province from freeing itself from their domination, a carefully prepared course of action was introduced as an interim step towards the province gaining control of its credit resources, which control is the key to its economic freedom.

PURPOSE OF THE INTERIM PROGRAMME

It is necessary to review briefly the purpose for which the Interim Programme was established before proceeding to a statement of the results it has yielded during the current fiscal year. When it was evident that the province would be denied its rights in the legislative field in connection with any essential measure which threatened the powers of the financial institutions, it became necessary to pursue the struggle for reform by other methods.

The domination of the economic life of the province—and, for that matter, of the nation—by International Finance operating through the financial institutions is rendered possible to the extent only that the people acquiesce. This acquiescence is forced on them by the fact that the financial institutions have an absolute monopoly and the people have had no alternative but to use the banks in the transaction of their every-day business. Given the alternative of institutions under their own effective control, through which they could obtain the necessary facilities for doing their business, (in the exchange and transfer of goods and services), the people would be in a position to gradually discard the use of the private institutions whose domination they have had to accept. In other words the people could, by their actions in transferring their support from financial institutions controlled from outside the province to their own institutions, use their power in the economic sphere to establish their democratic rights. Therefore the primary step which had to be taken was to provide the people of this province with the facilities for conducting their exchange of goods and services through institutions under their own control. For this purpose it was necessary to set up an alternative banking structure, as such. One of the major functions of the financial system is to provide an elaborate system of book-keeping to record the transfer and exchange of goods and

financial interests, the results have been spectacular during the first full year's operations. These results are summarised below:

(c) Summary of Main Features as at December 31, 1939 from Inception of Treasury Branches: (1) Total number of Branches and sub-Branchees, 36; (2) Total number of Agencies 315; (3) Total deposits \$1,705,623 (representing a steady expansion of demands on Canadian Currency, not for the most part in use, as the transactions were being carried out with cash orders and non-negotiable vouchers. This temporarily immobilized fund provides, under orthodox methods, the basis for a potential credit expansion of about \$16,-000,000). (4) Total number of accounts 31,265 (This number represents over one-tenth of the total number of persons in the province in a position to open accounts). (5) Total turnover of the Treasury Branches \$43,322,553. (6) Estimated total of actual transfer of goods and services (approx.) \$18,000,000. (7) Estimated total of transfer voucher business included in 6 above (approximately) \$6,000,000. (8) Total bonuses paid to consumers \$69,927. (9) Expenditure in establishing and operating Treasury Branches and Agencies (including consumers' bonuses) \$326,702. (10) Deduct refund on consumers' bonuses \$69,927. Actual net cost of establishing and operating Treasury Branches and Agencies \$256,775.

(d) Summary of Improvement in Economy of Province Under Operation of Interim Programme, during 1939:—(1) Increase in Whole sale Sales (approximate) \$3,000,000; (2) Increase in Retail Sales (approximate) \$6,509,000; (3) Decrease in Unemployment—Monthly average of persons in receipt of Unemployment Relief: 1938 (11 months to November 30th) monthly average 55,435; 1939 (11 months to November 30) monthly average 44,566; Decrease 10,869. Note: For the five months in 1939 prior to the outbreak of the war, Alberta lead the whole of Canada in its decrease of unemployment..

(e) It may be argued that the consumers' bonus shown above (c10) as a deduction from the cost of establishing and operating the Treasury Branches structure should be shown as an expense.

This is an entirely false view, as the bonus allocations represent claims on goods and services being transferred from one account to another, and need no more become a claim on the cash funds of the province than, for example, the aggregate credit balances of the banks will have to be met by the cash holdings of those institutions.

The essential difference, is of course, that the consumers' bonus is a clear debt-free addition to purchasing power, and represents a modest instalment of the "credit in association" of those using the Treasury Branches. For book-keeping purposes, it is shown as a liability for which provision need be made only in the event of liquidation being contemplated; which is not the case. However, because of the buoyant condition of provincial revenue due to the marked improvement in conditions, there is being maintained at present 100 per cent cash reserve against all consumer bonus allocations.

(f) A criticism has been raised to the effect that the Treasury Branches have not shown a profit. On the contrary, the Treasury Branches have shown an amazingly large profit—to the people of the province. Owing to the false accountancy methods employed under orthodox rules, there is a tendency to view this matter from a false

angle. An orthodox book-keeping profit could be shown by the Treasury Branches only if they had withdrawn from the people more purchasing power than they had distributed. For example, the banks can make a book profit only at the expense of the public's purchasing power. As the purpose of the Treasury Branches is to increase and not decrease purchasing power, it would have been an alarming situation had an orthodox book-keeping profit been shown as a result of the year's operation.

The real measure of the profit shown by the Treasury Branches and Interim Programme is the increase in purchasing power, as reflected by increased retail sales, obtained for the actual net cost of maintaining the Treasury Branch services. On this basis, reference back will show that for the expenditure in establishing and maintaining Treasury Branches since the inception of the scheme, the public obtained a very marked gain in purchasing power as reflected by increased retail sales. After making full allowance for all factors contributing to this improvement, the result shows a highly satisfactory return to the people to say the least of it. But when it is borne in mind that no newly established business is expected to yield profitable returns for three or four years at the earliest, the full significance of the first year's operations of the Treasury Branches System can be appreciated. The foregoing result was obtained though the Treasury Branches system did not handle even as much as 10 per cent. of the trade transactions of the province. Same measure of the effects to be expected from the development of the Interim Programme can be gauged from this.



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